

July 17, 2018

Via Electronic Filing

The Hon. Ajit Pai
The Hon. Michael O'Rielly
The Hon. Brendan Carr
The Hon. Jessica Rosenworcel

Federal Communications Commission
445 12th St., S.W.
Washington, DC 20554

Dear Chairman Pai and Commissioners O'Rielly, Carr, and Rosenworcel:

The Internet Innovation Alliance (IIA) would like to submit for the Commission's consideration the attached white paper (Evolving Preferences – Consumer Preferences Tilting Towards Mobile Broadband) and underlying consumer market research survey results. As explained further below and in the white paper, IIA believes the FCC should update and modernize its approach to broadband reporting in order to reflect what today's consumers believe – that mobile and fixed broadband service are essentially the same thing.

An independent polling and market research firm, Civic Science, Inc., conducted a detailed survey of American consumers to shed greater insight into how consumers view the different options currently available for accessing the Internet. By conducting a voluntary survey in this manner, Civic Science obtained important information about how consumers use their mobile devices today as well as their views on switching to a mobile-only broadband experience. To ensure highly accurate results, Civic Science used a quota-based sampling methodology of a minimum of 10,000 online U.S. adult consumers – this approach ensures that the results are precisely representative of the U.S. population by demography and geography. The detailed results of the survey are attached to this white paper.

The results of the Civic Science research show that:

Broadband distinctions no longer matter to U.S. consumers. The market research shows that almost as many consumers prefer to access the Internet through mobile as through cable modems – and more consumers prefer to access the Internet through their mobile devices than do those who prefer the fixed broadband means of fiber and digital subscriber line (DSL) service combined. And furthermore, 1 in 5 U.S. consumers expressly state that they have “no preference” for how they access the Internet. Fully 43% of respondents either prefer mobile access or express no preference as compared to 47% expressing a fixed broadband alternative preference, showing essential equivalence. **As would be expected in a highly competitive market, these results show that consumers have many options and express no clear preference for how they access the Internet.**

Consumers are willing to switch to mobile-only Internet access. Millions of consumers across all kinds of demographic groups have already done so – younger consumers, older consumers, consumers of all races, consumers living in cities and consumers living in rural areas. And contrary to the FCC's conclusion in January 2016, concerns about affordability are not the main reason consumers are reluctant to switch.

A clear majority of consumers now use mobile devices for “bandwidth and data-intensive applications” like streaming multimedia content. Over 57% of consumers use their mobile devices to watch news and sports, as well as stream movies and television shows from services like Netflix, Hulu, YouTube, and other content providers.

Mobile devices now play an important role in completing homework assignments and applying for jobs. Nearly 1 in 2 U.S. households with children have used mobile devices to complete homework assignments in the past year. And 1 in 4 U.S. consumers have used mobile devices to apply for a job in the past year.

These trends are common across different demographic groups of consumers; rural and urban consumers, younger and older consumers, and consumers of different races share similar preferences and perform similar activities online.

IIA believes that this is the right time to update and modernize the Commission's approach to reporting to Congress on the deployment of advanced telecommunications capability.¹ In 2016, the FCC updated its approach by including mobile broadband service within the definition of "advanced telecommunications services" – but also concluded that mobile and fixed broadband services are not "functional substitutes" for each other.² When the Commission issued its 2018 Broadband Deployment Report, it did so on the basis of that conclusion and did not rely on any updated or new data, instead the FCC continued to rely on data that is now outdated.³ The Civic Science Consumer Preferences Report, along with other data and research contained in the attached White Paper, shows that FCC's considerations and conclusions from 2016 are now outdated and should be changed.

The Civic Science Consumer Preferences Report demonstrates that, in 2018, consumers perceive and use mobile and fixed broadband services in essentially the same way. In our view, the Commission's past approach to treating mobile service is obsolete, and we encourage you to update and modernize how the Commission reports to Congress on broadband deployment.

Thank you for your consideration.

Respectfully,



Rick Boucher,
Honorary Chairman



Kim Keenan,
Co-Chairwoman



Bruce Mehlman,
Co-Chairman

CC:

Rachael Bender, Wireless Advisor, Chairman Pai
Jay Schwarz, Wireline Advisor, Chairman Pai
Amy Bender, Wireline Legal Advisor, Commissioner O'Rielly
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¹ 47 U.S.C. § 1302(a). See Inquiry Concerning Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, 2018 Broadband Deployment Report, 33 FCC Rd 1660, para. 2 (2018) (2018 Broadband Deployment Report).

² Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act, 2016 Broadband Deployment Report, 31 FCC Rd 699, paras. 2, 20-24 (2016) (2016 Broadband Deployment Report).

³ 2018 Broadband Deployment Report at para. 18.